



DOUGLAS A. DUCEY  
GOVERNOR

STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

May 31, 2019

The Honorable Katie Hobbs  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Hobbs:

I am transmitting to you the following bills from the Fifty-fourth Legislature, 1st Regular Session, which I signed on May 31st, 2019:

H.B. 2747 general appropriations act; 2019-2020. (Bowers)  
H.B. 2748 capital outlay; appropriations; 2019-2020. (Bowers)  
H.B. 2749 K-12 education; budget reconciliation; 2019-2020. (Cobb)  
H.B. 2750 higher education; budget reconciliation; 2019-2020. (Cobb)  
H.B. 2751 budget procedures; budget reconciliation; 2019-2020. (Cobb)  
H.B. 2752 criminal justice; budget reconciliation; 2019-2020. (Bowers)  
H.B. 2753 environment; appropriation; 2019-2020. (Bowers)  
H.B. 2754 health; budget reconciliation; 2019-2020. (Cobb)  
H.B. 2755 human services; budget reconciliation; 2019-2020. (Cobb)  
H.B. 2756 revenue; budget reconciliation; 2019-2020. (Bowers)  
H.B. 2757 tax provisions; omnibus. (Toma)

Sincerely,

Douglas A. Ducey  
Governor  
State of Arizona

cc: Senate Secretary  
Chief Clerk of the House of Representatives  
Arizona News Service

House Engrossed  
**FILED**  
**KATIE HOBBS**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 267**  
**HOUSE BILL 2751**

AN ACT

AMENDING TITLE 16, CHAPTER 1, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 16-168.01; AMENDING SECTIONS 18-305, 18-401 AND 18-421, ARIZONA REVISED STATUTES; AMENDING TITLE 28, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 28-414; AMENDING SECTIONS 35-112, 35-113, 35-173, 41-704, 41-740.01, 41-5356 AND 42-1122, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO STATE BUDGET PROCEDURES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 16, chapter 1, article 5, Arizona Revised  
3 Statutes, is amended by adding section 16-168.01, to read:

4 16-168.01. County contributions to the voter registration  
5 system fund; exemption

6 THE COUNTY CONTRIBUTIONS TO THE VOTER REGISTRATION SYSTEM FUND IS  
7 ESTABLISHED CONSISTING OF MONIES TRANSFERRED FROM COUNTIES TO THE  
8 SECRETARY OF STATE PURSUANT TO AN AGREEMENT BETWEEN A COUNTY AND THE  
9 SECRETARY OF STATE RELATING TO DEVELOPING AND ADMINISTERING THE STATEWIDE  
10 DATABASE OF VOTER REGISTRATION INFORMATION REQUIRED BY SECTION 16-168.  
11 THE SECRETARY OF STATE SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE  
12 EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF  
13 APPROPRIATIONS. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO THE  
14 SECRETARY OF STATE TO DEVELOP AND ADMINISTER THE STATEWIDE DATABASE OF  
15 VOTER REGISTRATION INFORMATION.

16 Sec. 2. Section 18-305, Arizona Revised Statutes, is amended to  
17 read:

18 18-305. Reports; electronic submission; exception; posting

19 A. Notwithstanding any other law, state ~~government~~ AGENCIES may  
20 submit all statutorily required reports and budget estimates  
21 electronically, EXCEPT THOSE REQUIRED BY SECTION 35-113.

22 B. Each state ~~government~~ AGENCY shall post all statutorily required  
23 reports and budget estimates on the state ~~government's~~ AGENCY'S website.

24 C. Each state ~~government~~ AGENCY shall consult with the secretary of  
25 state to ensure that the Arizona state library, archives and public  
26 records receives an adequate number of copies of the statutorily required  
27 reports and budget estimates in a format that is agreed on for the  
28 purposes of the state archives pursuant to section 41-151.08.

29 D. Each state ~~government~~ AGENCY that maintains a generally  
30 accessible internet website, or for which a generally accessible website  
31 is maintained, shall include a link on that website to the website of the  
32 ombudsman-citizens aide and a statement that reads as follows: "The  
33 ombudsman-citizens aide helps citizens to resolve ongoing issues with  
34 state agencies.

35 Sec. 3. Section 18-401, Arizona Revised Statutes, is amended to  
36 read:

37 18-401. Information technology fund

38 A. The information technology fund is established for use by the  
39 department and the committee. Monies in the fund are subject to  
40 legislative appropriation.

41 B. State agencies that are subject to section 41-750, all budget  
42 units and the legislative and judicial branches of state government shall  
43 contribute a pro rata share of the overall cost of information technology  
44 services provided by the department or committee. The pro rata share is  
45 payable by payroll fund source, and the resultant amount shall be

1 deposited in the information technology fund. For all budget units and  
2 the legislative and judicial branches of state government, the pro rata  
3 share is ~~30~~ .43 percent of the total payroll. Total payroll includes all  
4 fund sources, including the state general fund, federal monies, special  
5 revenue funds, intergovernmental revenue monies, trust funds and other  
6 payroll fund sources.

7 C. A claim for the pro rata share percentage payment shall be  
8 submitted according to the fund source, with the accompanying payroll, to  
9 the department of administration for deposit in the information technology  
10 fund.

11 D. Notwithstanding section 35-190, monies in the information  
12 technology fund do not revert to the state general fund at the end of each  
13 fiscal year.

14 Sec. 4. Section 18-421, Arizona Revised Statutes, is amended to  
15 read:

16 18-421. State web portal fund; exemption

17 A. The state web portal fund is established and is subject to  
18 legislative appropriation. The department shall administer the fund. The  
19 state web portal fund shall consist of:

20 1. Monies appropriated to the fund by the legislature.

21 2. Any web portal usage fees collected by this state or under any  
22 agreement between this state and an independent contractor providing  
23 services for the common web portal minus the amount of fees collected  
24 pursuant to section 28-446 for deposit in the Arizona highway user revenue  
25 fund.

26 3. Monies received from private grants or donations if designated  
27 for the fund by the grantor or donor.

28 4. Monies received from the federal government by grant or  
29 otherwise to assist this state in providing any common web portal  
30 projects.

31 B. Monies in the state web portal fund may be used for:

32 1. Improving or expanding this state's information technology  
33 services and projects, including the common web portal.

34 2. OPERATING COSTS OF THE GOVERNMENT TRANSFORMATION OFFICE.

35 C. If this state chooses to use an independent contractor to  
36 provide services for the state web portal, the selection of the  
37 independent contractor may be made using a competitive bid process.

38 D. Monies in the state web portal fund are exempt from the  
39 provisions of section 35-190 relating to lapsing of appropriations.

40 Sec. 5. Title 28, chapter 2, article 4, Arizona Revised Statutes,  
41 is amended by adding section 28-414, to read:

42 28-414. Motor vehicle pool consolidation fund; exemption

43 BEGINNING JULY 1, 2020, THE MOTOR VEHICLE POOL CONSOLIDATION FUND IS  
44 ESTABLISHED CONSISTING OF MONIES TRANSFERRED FROM THE MOTOR VEHICLE POOL  
45 REVOLVING FUND ESTABLISHED BY SECTION 41-804. THE DEPARTMENT OF



1 TRANSPORTATION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE SUBJECT  
2 TO LEGISLATIVE APPROPRIATION AND SHALL BE USED TO REIMBURSE THE DEPARTMENT  
3 OF TRANSPORTATION FOR COSTS RELATED TO IMPLEMENTING AN INTERGOVERNMENTAL  
4 AGREEMENT WITH THE DEPARTMENT OF ADMINISTRATION TO OPERATE THE STATE MOTOR  
5 VEHICLE FLEET ESTABLISHED PURSUANT TO SECTION 41-803. MONIES IN THE FUND  
6 ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF  
7 APPROPRIATIONS.

8 Sec. 6. Section 35-112, Arizona Revised Statutes, is amended to  
9 read:

10 35-112. Forms for budget unit estimates; date of transmittal

11 A. The governor shall prescribe the forms to be used by ~~the~~ budget  
12 units in submitting their budget estimates and requests for appropriations  
13 in accordance with ~~the provisions of~~ this chapter and shall prepare  
14 necessary instructions for ~~guidance of~~ GUIDING officials in preparing the  
15 budget estimates and requests.

16 B. On or before ~~June~~ JULY 1 EACH YEAR, the governor shall transmit  
17 to the administrative head of each budget unit at least three complete  
18 sets of prescribed forms on which budget estimates and requests for  
19 appropriations for the ensuing fiscal year are to be submitted.

20 Sec. 7. Section 35-113, Arizona Revised Statutes, is amended to  
21 read:

22 35-113. Submission of budget estimates

23 The administrative head of each budget unit, not later than  
24 September 1 of each year or at a later date not to exceed thirty days  
25 after September 1 if approved by the director of the governor's office of  
26 strategic planning and budgeting, shall submit to the governor, with ~~five~~  
27 TWO copies, estimates of the financial requirements and of receipts,  
28 including appropriated and nonappropriated monies in no less detail than  
29 the state general fund, of the budget unit for the next fiscal year. The  
30 estimates shall be on the forms and in the manner prescribed by the  
31 governor with explanatory data that may be required, together with  
32 additional information the head of the budget unit desires to submit. The  
33 estimates submitted shall bear the approval of the administrative head of  
34 the budget unit.

35 Sec. 8. Section 35-173, Arizona Revised Statutes, is amended to  
36 read:

37 35-173. Definition of allotment schedule; appropriations;  
38 requirements; limits; exceptions

39 A. ~~An~~ "Allotment schedule" means a detailed plan of expenditures  
40 for a full fiscal year within a budget program or expenditure class.

41 B. Before monies from an authorized appropriation, or any other  
42 source, can be obligated, an allotment schedule must be approved and  
43 established by the department of administration AND THE GOVERNOR'S OFFICE  
44 OF STRATEGIC PLANNING AND BUDGETING. The allotment schedule shall be

1 based on the estimated annual requirement and shall distribute the  
2 available spending authority to cover the entire fiscal year's operations.

3 C. With the exception of the department of administration, the  
4 budget unit, ~~may, upon~~ ON approval of the director of the department of  
5 administration AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND  
6 BUDGETING, MAY:

7 1. Transfer spending authority from one expenditure class to  
8 another.

9 2. Transfer spending authority between and within programs if  
10 spending authority is appropriated to the budget unit by programs.

11 D. A transfer within a budget unit of spending authority  
12 appropriated for land acquisition, capital projects or building renewal  
13 ~~shall be permissible~~ IS ALLOWED only on approval of the joint committee on  
14 capital review.

15 E. ~~No~~ A transfer to or from personal services or employee related  
16 expenditures from or to any other budget program or expenditure class  
17 ~~shall be permitted~~ IS NOT ALLOWED unless recommended by the joint  
18 legislative budget committee and approved by the director of the  
19 department of administration AND THE GOVERNOR'S OFFICE OF STRATEGIC  
20 PLANNING AND BUDGETING, except that the director of the department of  
21 administration may transfer amounts equal to the gross payroll and related  
22 employee expenses of a budget unit from the monies of a budget unit  
23 available for this purpose to payroll imprest accounts for the purpose of  
24 paying employees of the budget unit and disbursing related employee  
25 expenses.

26 F. A transfer of spending authority within the department of  
27 administration shall be made only with the approval of the joint  
28 legislative budget committee AND THE GOVERNOR'S OFFICE OF STRATEGIC  
29 PLANNING AND BUDGETING, except as provided in subsection E OF THIS  
30 SECTION.

31 G. ~~The provisions of~~ This section ~~shall~~ DOES not apply to the  
32 universities.

33 Sec. 9. Section 41-704, Arizona Revised Statutes, is amended to  
34 read:

35 41-704. Emergency telecommunication services; administration;  
36 annual report; revolving fund

37 A. The director of the department of administration shall:

38 1. Adopt rules and procedures for administering and disbursing  
39 monies deposited in the emergency telecommunication services revolving  
40 fund, and at least quarterly review and approve requests by political  
41 subdivisions of this state for payment for operating emergency  
42 telecommunication service systems.

43 2. In fiscal year 2001-2002 and every two years thereafter,  
44 recommend to the legislature the amount of the telecommunication services  
45 excise tax that will be required during the following two fiscal years for



1 THE purposes of this section, with supporting documentation and  
2 information. The legislature shall review the recommendation and take  
3 legislative action regarding the recommendation.

4 3. ON OR BEFORE DECEMBER 1 OF EACH YEAR, SUBMIT A REPORT TO THE  
5 DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE CONTAINING:

6 (a) THE DEPARTMENT'S EXPENDITURE PLAN FOR THE CURRENT FISCAL YEAR  
7 FOR THE EMERGENCY TELECOMMUNICATION SERVICES REVOLVING FUND ESTABLISHED BY  
8 THIS SECTION.

9 (b) THE STATUS OF THE DEPARTMENT'S IMPLEMENTATION OF IMPROVEMENTS  
10 TO THE 911 EMERGENCY SYSTEM.

11 B. ~~At~~ THE emergency telecommunication services revolving fund is  
12 established to be administered by the director. The fund shall be used  
13 for:

14 1. Necessary or appropriate equipment or service for implementing  
15 and operating emergency telecommunication services through political  
16 subdivisions of this state. Priority shall be given to establishing  
17 emergency telecommunication services in those areas of the state that are  
18 without emergency telecommunication services.

19 2. Necessary or appropriate administrative costs or fees for  
20 consultants' services, not to exceed five ~~per cent~~ PERCENT of the amounts  
21 deposited annually in the revolving fund. The department may use up to  
22 two-thirds of the five ~~per cent~~ PERCENT of the amounts deposited annually  
23 in the revolving fund for administrative costs. The remainder of the five  
24 ~~per cent~~ PERCENT may be allocated for local network management of  
25 contracts with public safety answering points for emergency  
26 telecommunication services.

27 3. Monthly recurring costs of emergency telecommunication services,  
28 including expenditures for capital, maintenance and operation purposes.

29 4. A wireless carrier's costs associated with the provision,  
30 development, design, construction and maintenance of the wireless  
31 emergency telecommunication services in an amount that the wireless  
32 carrier has not recovered through the deduction mechanism specified in  
33 federal law.

34 C. At the end of each fiscal year, any unexpended monies in the  
35 fund, including interest, shall be carried over and do not revert to the  
36 STATE general fund but shall be applied to the extent possible to reduce  
37 the levy under section 42-5252, subsection A for the following fiscal  
38 year.

39 Sec. 10. Section 41-740.01, Arizona Revised Statutes, is amended to  
40 read:

41 41-740.01. Arizona financial information system collections  
42 fund; purpose; transaction fee; joint  
43 legislative budget committee; annual report

44 A. The Arizona financial information system collections fund is  
45 established consisting of monies collected pursuant to subsection C of

1 this section. The department shall administer the fund. Monies in the  
2 fund are subject to legislative appropriation. Monies in the fund are  
3 exempt from the provisions of section 35-190 relating to lapsing of  
4 appropriations.

5 B. Monies in the fund shall be used to reimburse the department for  
6 the costs of operating the Arizona financial information system.

7 C. The department may charge a transaction fee to each state agency  
8 that uses the Arizona financial information system. The department shall  
9 submit a proposed transaction fee to the joint legislative budget  
10 committee ~~for review~~ before establishing or changing the fee. ON OR  
11 BEFORE DECEMBER 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT A REPORT TO  
12 THE JOINT LEGISLATIVE BUDGET COMMITTEE ON THE ARIZONA FINANCIAL  
13 INFORMATION SYSTEM TRANSACTION COUNT BY AGENCY AND FUND SOURCE.

14 Sec. 11. Section 41-5356, Arizona Revised Statutes, is amended to  
15 read:

16 41-5356. Duties of board; advisory board; annual report;  
17 board termination

18 A. The board shall:

19 1. Establish an industrial development authority under title 35,  
20 chapter 5 and, notwithstanding the requirements of section 35-705, serve  
21 as the board of the industrial development authority.

22 2. Serve as the board of the greater Arizona development authority  
23 and have all powers and authority to take action on behalf of the greater  
24 Arizona development authority pursuant to chapter 18 of this title.

25 3. Serve as the board of the water infrastructure finance authority  
26 of Arizona and have all powers and authority to take action pursuant to  
27 title 49, chapter 8 regarding water infrastructure financing.

28 4. Approve the authority's budget.

29 5. Establish a water and infrastructure finance authority advisory  
30 board to advise the board of directors of the authority consisting of  
31 relevant state agency representatives and the following additional  
32 members:

33 (a) One member who represents a public water system that serves  
34 five hundred or more connections.

35 (b) One member who represents a public water system that serves  
36 less than five hundred connections.

37 (c) One member who represents a sanitary district in a county with  
38 a population of less than five hundred thousand persons.

39 (d) One member who represents a sanitary district in a county with  
40 a population of five hundred thousand or more persons.

41 (e) One member who represents a city or town with a population of  
42 less than fifty thousand persons.

43 (f) One member who represents a city or town with a population of  
44 fifty thousand or more persons.



1 (g) One member who represents a county with a population of five  
2 hundred thousand or more persons.

3 B. ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE INDUSTRIAL DEVELOPMENT  
4 AUTHORITY SHALL SUBMIT A REPORT TO THE PRESIDENT OF THE SENATE, THE  
5 SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE DIRECTORS OF THE JOINT  
6 LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC  
7 PLANNING AND BUDGETING REGARDING THE AUTHORITY'S REVENUES, EXPENDITURES  
8 AND PROGRAM ACTIVITY FOR THE PREVIOUS FISCAL YEAR.

9 ~~B.~~ C. The board established pursuant to subsection A, paragraph 5  
10 of this section ends on July 1, 2024 pursuant to section 41-3103.

11 Sec. 12. Section 42-1122, Arizona Revised Statutes, is amended to  
12 read:

13 42-1122. Setoff for debts to state agencies, political  
14 subdivisions and courts; revolving fund;  
15 definitions

16 A. The department shall establish a liability setoff program by  
17 which refunds under sections 42-1118 and 43-1072 may be used to satisfy  
18 debts that the taxpayer owes to this state, a political subdivision or a  
19 court. The program shall comply with the standards and requirements  
20 prescribed by this section.

21 B. If a taxpayer owes an agency, political subdivision or court a  
22 debt, the agency, political subdivision or court, by November 1 of each  
23 year, may notify the department, furnishing at least the state agency,  
24 court or program identifier, the taxpayer's first name, last name, middle  
25 initial or middle name and suffix and social security number and any other  
26 available identification that the agency, political subdivision or court  
27 deems appropriate of the debtor as shown on the records of the agency,  
28 political subdivision or court, and the amount of the debt.

29 C. The department shall match the information submitted by the  
30 agency, political subdivision or court by at least two items of  
31 identification of the taxpayer with taxpayers who qualify for refunds  
32 under section 42-1118 and shall:

33 1. Notify the agency, political subdivision or court of a potential  
34 match, the taxpayer's home address and any additional taxpayer  
35 identification numbers used by the taxpayer. Even if the taxpayer is not  
36 entitled to a refund, the department of revenue shall provide to:

37 (a) The court, the clerk of the court and the department of  
38 economic security, for child support and spousal maintenance purposes  
39 only, the home address of a taxpayer whose debt for overdue support is  
40 referred for setoff and any additional taxpayer identification numbers  
41 used by the taxpayer.

42 (b) The court the home address and any additional taxpayer  
43 identification numbers used by the taxpayer whose debt for a court  
44 obligation is referred for setoff and who is identified by the court as a  
45 probationer on absconder status.

1           2. Request final agency, political subdivision or court  
2 confirmation in writing or electronically as determined by the department  
3 within ten days ~~of~~ AFTER the match and of the continuation of the debt.  
4 If the agency, political subdivision or court fails to provide  
5 confirmation within forty-five days after the request, the department  
6 shall release the refund to the taxpayer.

7           D. An agency, political subdivision or court may submit updated  
8 information, additions, deletions and other changes on a quarterly or more  
9 frequent basis, at the convenience of the agency, political subdivision or  
10 court.

11          E. On confirmation pursuant to subsection C, paragraph 2 of this  
12 section, the agency or political subdivision shall notify the taxpayer, by  
13 mail to the most recent physical address or electronically to the most  
14 recent e-mail address provided by the taxpayer to the department:

15           1. Of the intention to set off the debt against the refund due.

16           2. Of the taxpayer's right to appeal to the appropriate court or to  
17 request a review by the agency or political subdivision pursuant to agency  
18 or political subdivision rule, within thirty days after the physical or  
19 electronic mailing of the notice.

20          F. In addition, the taxpayer shall receive notice that if the  
21 refund is intercepted in error through no fault of the taxpayer, the  
22 taxpayer is entitled to the full refund plus interest and penalties from  
23 the agency, political subdivision or court as provided by subsection 0 of  
24 this section.

25          G. The basis for a request for review as provided by subsection E  
26 of this section shall not include the validity of the claim if its  
27 validity has been established at an agency hearing, by judicial review in  
28 a court of competent jurisdiction in this or any other state or by final  
29 administrative decision and shall state with specificity why the taxpayer  
30 claims the obligation does not exist or why the amount of the obligation  
31 is incorrect.

32          H. If, within thirty days after the physical or electronic mailing  
33 of the notice, the taxpayer requests a review by the agency or political  
34 subdivision or provides the agency or political subdivision with proof  
35 that an appeal has been taken to the appropriate court, the agency or  
36 political subdivision shall immediately notify the department and the  
37 setoff procedure shall be stayed pending resolution of the review or  
38 appeal.

39          I. If the department does not receive notice of a timely appeal, it  
40 shall draw and deliver a warrant in the amount of the available refund up  
41 to the amount of the debt in favor of the agency or political subdivision  
42 and notify the taxpayer of the action by physical mail or e-mail.

43          J. Subsections E, G, H and I of this section do not apply to a debt  
44 imposed by a court except that the taxpayer shall receive notice of the  
45 intent to set off the debt against the refund due and the right to appeal



1 to the court that imposed the debt within thirty days after the physical  
2 or electronic mailing of the notice. The basis for the request for review  
3 shall not include the validity of the claim and shall state with  
4 specificity why the taxpayer claims the obligation does not exist or why  
5 the obligation is incorrect.

6 K. If the setoff accounts for only a portion of the refund due, the  
7 remainder of the refund shall be sent to the taxpayer. A court shall not  
8 use this section to satisfy a judgment or payment of a fine or civil  
9 penalty until the judgment has become final or until the time to appeal  
10 the imposition of a fine or civil penalty has expired.

11 L. A revolving fund is established to recover and pay the cost of  
12 operating the setoff program under this section. MONIES IN THE FUND MAY  
13 ALSO BE USED FOR THE GENERAL OPERATING EXPENSES OF THE DEPARTMENT. The  
14 department may prescribe a fee to be collected from each agency, political  
15 subdivision or court using the setoff procedure or from the taxpayer, and  
16 the amount shall be deposited in the fund. The amount of the fee shall  
17 reasonably reflect the actual cost of the service provided. Monies in the  
18 revolving fund are subject to legislative appropriation.

19 M. If agencies, political subdivisions or courts have two or more  
20 delinquent accounts for the same taxpayer, the refund may be apportioned  
21 among them pursuant to rules prescribed by the department of revenue,  
22 except that a setoff to the department of economic security for overdue  
23 support has priority over all other setoffs.

24 N. If the refund is insufficient to satisfy the entire debt, the  
25 remainder of the debt may be collected by the agency, political  
26 subdivision or court as provided by law or resubmitted for setoff against  
27 subsequent refunds.

28 O. In the case of a refund that is intercepted in error through no  
29 fault of the taxpayer under this section, the taxpayer shall be reimbursed  
30 by the agency, political subdivision or court with interest pursuant to  
31 section 42-1123. In addition, if all or part of a refund is intercepted  
32 in error due to an agency, political subdivision or court incorrectly  
33 identifying a taxpayer as a debtor through no fault of the taxpayer, the  
34 agency, political subdivision or court shall also pay the taxpayer a  
35 penalty as follows:

36 1. If the agency, political subdivision or court reimburses the  
37 taxpayer sixteen through one hundred eighty days after the agency,  
38 political subdivision or court receives notification that the refund was  
39 erroneously intercepted and the refund was received by the agency,  
40 political subdivision or court, the penalty is equal to ten percent of the  
41 amount of the refund that was intercepted.

42 2. If the agency, political subdivision or court reimburses the  
43 taxpayer one hundred eighty-one through three hundred sixty-five days  
44 after the agency, political subdivision or court receives notification  
45 that the refund was erroneously intercepted and the refund was received by

1 the agency, political subdivision or court, the penalty is equal to  
2 fifteen percent of the amount of the refund that was intercepted.

3 3. If the agency, political subdivision or court fails to reimburse  
4 the taxpayer within three hundred sixty-five days after the agency,  
5 political subdivision or court receives notification that the refund was  
6 erroneously intercepted and the refund was received by the agency,  
7 political subdivision or court, the penalty is equal to twenty percent of  
8 the amount of the refund that was intercepted.

9 P. The time periods set forth in subsection O of this section shall  
10 be stayed during a review of an agency decision pursuant to section  
11 25-522.

12 Q. Except as is reasonably necessary to accomplish the purposes of  
13 this section, the department shall not disclose under this section any  
14 information in violation of chapter 2, article 1 of this title.

15 R. An agency, political subdivision or court shall not enter into  
16 an agreement with a debtor for:

17 1. The assignment of any prospective refund to the agency,  
18 political subdivision or court in satisfaction of the debt.

19 2. Payment of the debt if the debt has been confirmed to the  
20 department for setoff under subsection C, paragraph 2 of this section.

21 S. If a tax refund is based on a joint income tax return and the  
22 department of economic security receives a written claim from the  
23 nonobligated spouse within forty-five days after the notice of a setoff  
24 for overdue child support, the setoff only applies to that portion of the  
25 refund due to the obligor. The nonobligated spouse shall provide to the  
26 department of economic security copies of both the obligated and  
27 nonobligated spouse's federal W-2 forms and evidence of estimated tax  
28 payments supporting the proportionate share of each spouse's payment of  
29 tax. The department of economic security shall retain the amount of the  
30 setoff refund due to the obligated spouse determined by a proration based  
31 on the tax payments of each spouse by estimated tax payment or tax  
32 withheld from wages.

33 T. For the purposes of this section:

34 1. "Agency" means:

35 (a) A department, agency, board, commission or institution of this  
36 state.

37 (b) A corporation that is under contract with this state and that  
38 provides a service that would otherwise be provided by a department,  
39 agency, board, commission or institution of this state, if the contract  
40 specifically authorizes participation in the liability setoff program and  
41 the attorney general's office has reviewed the contract and approves such  
42 authorization. The participation in the liability setoff program shall be  
43 limited to debt related to the services the corporation provides for or on  
44 behalf of this state.



(a) Means an amount over ~~fifty dollars~~ \$50 that is owed to an agency, political subdivision or court by a taxpayer and may include a judgment in favor of this state or a political subdivision of this state, interest, penalties, charges, costs, fees, fines, civil penalties, surcharges, assessments, administrative charges or any other amount.

4. "Overdue support" means a delinquency in court ordered payments for spousal maintenance or support of a child or for spousal maintenance to the parent with whom the child is living if child support is also being enforced pursuant to an assignment or application filed under 42 United States Code section 654(6) or other applicable law.

Sec. 13. Unrestricted federal monies; essential government services; retroactivity

B. This section applies retroactively to from and after June 30, 2019.

Notwithstanding section 41-792.01, subsection D, Arizona Revised Statutes, the capital outlay stabilization fund rental rates for state-owned buildings in fiscal year 2019-2020 are \$17.87 per square foot for office space and \$6.43 per square foot for storage space.

Notwithstanding section 35-144, Arizona Revised Statutes, for fiscal years 2019-2020, 2020-2021 and 2021-2022 the legislature is not required to appropriate monies to or transfer monies from the budget stabilization fund.

On or before October 1, 2019 and October 1, 2020, the department of administration and the department of transportation shall submit a joint report to the joint legislative budget committee on transitioning the operation of the state motor vehicle fleet established pursuant to section 41-803, Arizona Revised Statutes, from the department of administration to the department of transportation. The report shall identify suggested legislative changes that are required to fully implement the transition.

1       Sec. 17. State treasurer's management fund; transfer

2       Any unexpended and unencumbered monies remaining in the state  
3 treasurer's management fund established by section 35-326.01, Arizona  
4 Revised Statutes, as amended by Laws 2019, chapter 154, section 2, are  
5 transferred to the state treasurer's operating fund established by section  
6 35-316, Arizona Revised Statutes, as amended by Laws 2019, chapter 154,  
7 section 1, on the effective date of this act.

8       Sec. 18. PSPRS reporting requirements

9       The reports by the public safety personnel retirement system that  
10 are due by December 31 of each year pursuant to sections 38-803, 38-832,  
11 38-840.01, 38-848, 38-848.02, 38-866 and 38-883, Arizona Revised Statutes,  
12 are due on or before December 1 of each year in 2019 and 2020.

13       Sec. 19. Presidential preference election; opt out

14       Notwithstanding section 16-241, Arizona Revised Statutes, a  
15 political party that is eligible to participate in the 2020 presidential  
16 preference election pursuant to section 16-244, Arizona Revised Statutes,  
17 may opt out of participating in the presidential preference election by  
18 sending a written notice to the secretary of state on or before September  
19 16, 2019. If a political party opts out of participating in the  
20 presidential preference election, the secretary of state shall notify each  
21 county recorder and officer in charge of elections and the clerk of each  
22 county board of supervisors not later than five business days after  
23 receiving the written notice from the political party that the 2020  
24 presidential preference election for that party is canceled.

25       Sec. 20. Retroactivity

26       Section 18-401, Arizona Revised Statutes, as amended by this act  
27 applies retroactively to from and after June 30, 2019.

**APPROVED BY THE GOVERNOR MAY 31, 2019.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 31, 2019.**

Passed the House May 24, 20 19

by the following vote: 31 Ayes,

29 Nays, 0 Not Voting

[Signature]  
Speaker of the House

☐ Pro Tempore

[Signature]  
Chief Clerk of the House

Passed the Senate May 27, 20 19

by the following vote: 16 Ayes,

13 Nays, 1 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

27<sup>th</sup> day of May, 20 19

at 9:25 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 31<sup>st</sup> day of

May 2019

at 8:10 o'clock A M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 31 day of May, 20 19

at 8:42 o'clock A M.

[Signature]  
Secretary of State

H.B. 2751